

A GODREJ SARA LEE LTD

v.

SIAH TEONG TECK & ANOR

B HIGH COURT MALAYA, KUALA LUMPUR
RAMLY ALI J
[ORIGINATING MOTION NO: D5-25-2-2007]
9 JULY 2007

C **CIVIL PROCEDURE:** *Striking out - Notice of Originating Motion - No cause of action shown in notice of originating motion and affidavit in support thereof - Registrar of Trade Marks Malaysia not required to be made a party in suit for rectification of Register of Trade Marks - No cause of action against Registrar of Trade Marks Malaysia - Whether action against Registrar of Trade Marks Malaysia scandalous, frivolous or vexatious or amounted to an abuse of process of court - Order 18 r. 19(1)(a), (b) and (d) of the RHC 1980*

E **TRADEMARKS:** *Registered trade mark - Expungement - Application for rectification and/or expungement of registered trade mark and registered user - Registrar of Trade Marks not required to be made a party in suit for rectification of Register of Trade Marks - Subpoena may be served on Registrar of Trade Marks for purposes of assisting court in explaining any matters relating to trade mark in issue - Statutory obligation of Registrar of Trade Marks to take such steps as are necessary to give effect to order issued by court - Trade Marks Act 1976, s. 46(1)(a), (b)*

F The applicant manufactured and sold mosquito repellent mats and coils, insecticides, pesticides and insect repellent substances ("the said Goods"). Among the trade marks employed in relation to the said Goods was the trade mark GOOD KNIGHT. The applicant filed for registration of the trade mark GOOD KNIGHT and the application was
G objected to by the Trade Marks Registrar as there was a prior registration of the same mark on the Register of Trade Marks in the name of the 1st respondent in relation to mosquito coils, insecticides, mosquito repellent. Investigations revealed that the 1st respondent's trade mark GOOD KNIGHT had not been used in relation to the goods of
H interest to the 1st respondent for a continuous period of three years up to one month immediately preceding the application to cancel the said registration. This non use resulted in the present Notice of Motion filed by the applicant under s. 46(1)(b) of the Trade Marks Act 1976 which provides for the cancellation of a trade mark which has not been used for a continuous period of three years up to one month before the
I application to cancel. The 2nd respondent filed an application to strike out the applicant's action against the 2nd respondent under O. 18 r. 19(1) of the Rules of the High Court 1980 (RHC 1980) on the

grounds that the applicant's Amended Notice of Motion did not disclose a cause of action against the 2nd respondent and the action against the 2nd respondent is frivolous, vexatious and an abuse of process.

Held (striking out action against 2nd respondent):

- (1) There was not even a single cause of action against the 2nd respondent in the applicant's notice of Originating Motion and its affidavit supporting the same. The applicant's prayers for reliefs against the 2nd respondent were merely for the 2nd respondent to take the necessary action of rectifying the Register of Trade Marks once the order is granted by the court. This relief is governed by statutory provisions in the Trade Marks Act 1976 and in view thereof, there was no necessity for the applicant to make the 2nd respondent a party to this suit. (paras 16 & 17)
- (2) If the assistance of the Registrar of Trade Marks is required at any stage of the court proceedings, a subpoena may be served on the Registrar of Trade Marks for purposes of assisting the court in explaining any matters relating to the trade mark in issue without the need to make the Registrar of Trade Marks a party to the action. (para 32)
- (3) If the court decides to expunge any entry remaining wrongfully in the Register of Trade Marks, thus rectifying the Register of Trade Marks, then the order which acts as the notice of the rectification shall be served on the Registrar of Trade Marks for rectification purpose. The Registrar of Trade Marks shall, upon receipt of the notice, take such steps as are necessary to give effect to the order issued by the court as it is the Registrar of Trade Marks' statutory obligation to do so in accordance with the Act. (para 37)
- (4) The applicant's action against the 2nd respondent was scandalous (being wholly unnecessary and irrelevant), frivolous or vexatious or that it amounted to an abuse of the process of the court. On that grounds, the court orders that the applicant's action against the 2nd respondent was struck out under O. 18, rr. 19(1)(a), (b) and (d) of the RHC 1980 with costs. (para 38)

Case(s) referred to:

Boey Oi Leng v. Trans Resources Corp Sdn Bhd [2002] 1 CLJ 405 HC (*refd*)
Drummond-Jackson v. British Medical Association [1979] 1 All ER 1094 (*refd*)
First Malaysia Finance Berhad v. Dato' Mohd Fathi Hj Ahmad [1993] 3 CLJ 329 SC (*refd*)
Gabriel Peter & Partners v. Wee Chong Jin & Ors [1998] 1 SLR 374 (*refd*)
Government of Malaysia v. Lim Kit Siang [1988] 2 MLJ 12 (*refd*)

- A *Newacres Sdn Bhd v. Sri Alam Sdn Bhd* [1991] 3 CLJ 2781; [1991] 1 CLJ (Rep) 321 SC (*refd*)
Technointan Holding Sdn Bhd v. Tetuan Tan Kim Siong & Teh Hong Jet [2006] 7 CLJ 541 HC (*refd*)

Legislation referred to:

- B Rules of the High Court 1980, O. 18 rr. 19(1)(a), (b), (c), (d), O. 87 rr. 4, 7
Trade Marks Act 1976, ss. 45(1)(a), (b), (d), 46(1)(b), 62(1), (2)
Trade Marks Regulations 1997, regs. 74, 75(1)
For the applicant - S Indrani; M/s Shearn Delamore & Co
C *For the 1st respondent - LG Sha; M/s Sha Lai Gwen & Assoc*
For the 2nd respondent - C Valasini (Rahamatthunnisa with her); M/s YH Teh & Qwek

Reported by Amutha Suppayah

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JUDGMENT

Ramly Ali J:

- E [1] The matter for determination before the court is the 2nd respondent's application (encl. 11) to strike-out the action herein against the 2nd respondent, the Registrar of Trade Marks Malaysia. The grounds relied upon by the 2nd respondent were that the motion filed by the applicant does not disclose a cause of action against the 2nd
F respondent, that the action against the 2nd respondent is frivolous, vexatious and an abuse of process pursuant to O. 18 r. 19(1)(a), (b), (c) and (d) of the Rules of the High Court 1980.
[2] The applicant, by its amended notice of motion prays for the following orders:
G (a) that an order be granted to rectify and remove Trade Mark No: 98/00228 from the Trade Mark Register, Malaysia; and
(b) in the event prayer 1 is granted, an order directing the Trade Marks Registrar to rectify the Trade Marks Register of Malaysia by removing from it the entire entry in relation to Trade Mark
H Registration No. 98/00228 and to cause the said fact of rectification and removal to be advertised in the Government Gazette as soon as the order is served.

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Factual Background

[3] The applicant is an Indian company carrying on the business of manufacturing, distributing, supplying, selling and offering for supply various consumer goods around the world, including Malaysia. Amongst the applicant's goods of interests are "mosquito repellent mats and coils, insecticides; pesticides and insect repellent substances".

[4] The said Goods aforementioned carry various trade marks as source identifiers of the said Goods of the applicant and among the trade marks employed in relation to the said Goods is the trade mark Good Knight.

[5] The applicant applied to protect their rights in Malaysia when they filed for registration of the trade mark Good Knight which was designated application no. 2001/09651 on 25 July 2001 by the Registrar of Trade Marks. The applicant's mark was objected to by the Trade Marks Registrar as there was a prior registration of the same mark on the Register of Trade Marks under registration no. 98/00228.

[6] The prior registration no. 98/00228 which was also the trade mark Good Knight was in the name of the 1st respondent and was registered in relation to mosquito coils, insecticides, mosquito repellent in class 5 in Malaysia (the 1st respondent's Trade Mark).

[7] Upon investigations conducted, it was found that the 1st respondent's trade mark Good Knight had not been used in relation to the goods of interest to the 1st respondent as set out in the specification under the 1st respondents said trade mark registration for a continuous period of three years up to one month immediately preceding the application to cancel the said registration.

[8] This non use resulted in the present notice of motion filed by the applicant under the provisions of s. 46(1)(b) of the Trade Marks Act 1976 which provides for the cancellation of a trade mark which has not been used for a continuous period of three years up to one month before the application to cancel.

[9] The applicant has named the 2nd respondent in the amended notice of motion in order to give effect to prayer (b) so that an order for rectification made pursuant to prayer (a) will be binding on the Registrar of Trade Marks, Malaysia.

[10] The 2nd respondent (the Registrar of Trade Mark Malaysia) opposes the applicant's application. At the same time, *vide* encl. 11, the 2nd respondent filed an application to strike out the applicant's action against the 2nd respondent under O. 18 r. 19(1) of the Rules of the High Court 1980 (RHC 1980) on the grounds that the applicant's

- A amended notice of motion does not disclose a cause of action against the 2nd respondent and the action against the 2nd respondent in frivolous, vexatious and an abuse of process.

Order 18 r. 19(1)(a) RHC 1980

- B [11] Under this limb, the court may at any stage of the proceedings order to be struck out any pleading on the ground that it discloses no reasonable cause of action. In the case of *Newacres Sdn. Bhd. v. Sri Alam Sdn. Bhd.* [1991] 3 CLJ 2781; [1991] 1 CLJ (Rep) 321 SC. The court at p. 2791 (p. 333) referred to the case of *Cooke v. Gill* [1872-73] 8 LRCP 107 whereby in that case Bovil CJ define “cause of action” as follows:
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Cause of action has been held from the earliest times to mean every fact which is material to be proved to entitle the Applicant to succeed – every fact which the Defendant would have a right to traverse.

- D [12] Furthermore, in the case of *First Malaysia Finance Berhad v. Dato’ Mohd Fathi Haji Ahmad* [1993] 3 CLJ 329, the Supreme Court held at p. 336 that:

- E It is true that the Plaintiff had by his statement of claim prayed for are restraining order and an order for damages and, indeed, we note that he had also prayed for an order for release and transfer of all securities in respect of the loan accounts in Annexure K together with any assignment of rights, the 5th Defendant might have against the borrower companies and the securities listed in Annexure K. But these were merely prayers for reliefs and did not themselves indicate what
- F the cause of action was upon which the Plaintiff was relying against the 5th Defendant.

- [13] An application under O. 18 r. 19(1)(a) of the RHC 1980 requires a perusal of the pleadings to ascertain whether it does in fact disclose a reasonable “cause of action”. In *Government of Malaysia v. Lim Kit Siang* [1988] 2 MLJ 12 at p. 19 the Supreme Court defined “cause of action” as:
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- ... a statement of facts alleging that a Plaintiff’s right, either at law or by statute, has in some way or another, been adversely affected or prejudiced by the act of the Defendant in an action.
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- [14] In *Gabriel Peter & Partners (suing as a firm) v. Wee Chong Jin & Ors* [1998] 1 SLR 374 at p. 384 the Singapore Court of Appeal discussed the principles in determining what a “reasonable cause of action” is under O. 18 r. 19(1)(a) of the Rules of Court 1996 at p. 384 by reference to the case of *Drummond-Jackson v. British Medical Association* [1979] 1 All ER 1094:
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A reasonable of action, according to His Lordship, cannotes a cause of action which has some chance of success when only the allegations in the pleading are considered.

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[15] In the context of O. 18 r. 19(1)(a) of the RHC 1980, it is useful to remember that in perusing the plaintiff's pleadings the court is looking at the plaintiff who has pleaded his best case. The above principles are then applied to the plaintiff's best case to see if those pleadings ought to be struck out.

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[16] Relying on the definition of cause of action as stated in the above case, the court finds that there is not even a single cause of action against the 2nd respondent in the applicant's notice of originating motion and its affidavit supporting the same.

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[17] In the present case, it is crystal clear that the grievances claimed by the applicant is solely against the 1st respondent only and that the applicant has failed to establish a cause of action against the 2nd respondent. The applicant's prayers for reliefs against the 2nd respondent are merely for the 2nd respondent to take the necessary action of rectifying the Register of Trade Marks once the order is granted by the court. This relief is governed by statutory provisions in the Trade Marks Act 1976 and in view thereof, there is no necessity for the applicant to make the 2nd respondent a party to this suit.

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[18] On this ground alone, the action against the 2nd respondent ought to be dismissed.

Order 18 r. 19(1)(b) and (d) RHC 1980

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[19] Under O. 18 r. 19(1)(b) and (d) of the RHC 1980, the court may at any stage of the proceedings order to be struck out any writ and statement of claim in the action on the ground that (b) it is scandalous, frivolous or vexatious; or (d) it is otherwise an abuse of the process of the court.

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[20] The word "scandalous" is taken to mean "wholly unnecessary and irrelevant", not just unpleasant allegations. (see: *Boey Oi Leng (t/a Indah Reka Construction & Trading) v. Trans Resources Corp. Sdn. Bhd.* [2002] 1 CLJ 405 HC; and *Technointan Holding Sdn. Bhd. v. Tetuan Tan Kim Siong & Teh Hong Jet* [2006] 7 CLJ 541).

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[21] The words "frivolous or vexatious" on the other hand, mean "obviously unsustainable". (see: *Technointan Holding Sdn. Bhd. v. Tetuan Tan Kim Siong & Teh Hong Jet*, (*supra*).

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A [22] The case of *Gabriel Peter (supra)*, addressed the meaning of “an abuse of the process of the court”. At p. 384 the Court of Appeal, Singapore said:

B The term “abuse of the process of the Court”, in Order 18 rule 19(1)(d), has been given a wide interpretation by the Courts. It includes considerations of public policy and the interests of justice. This term signifies that the process of the Court must be used bona fide and properly and must not be abused. The Court will prevent the improper use of its machinery. It will prevent the judicial process from being used as a means of vexation and oppression in the process of litigation. The categories of conduct rendering a claim frivolous, vexatious or an abuse of process are not closed and will depend on all relevant circumstances of the case. A type of conduct which has been judicially acknowledged as an abuse of process is the bringing of an action for a collateral purpose ... if an action was not brought bona fide for the purpose of obtaining relief but for some other ulterior or collateral purpose, it might be struck out as an abuse of the process of the Court.

E [23] The applicant’s application *vide* the notice of motion is made pursuant to s. 46(1)(b) of the Trade Marks Act 1976, which states *inter alia* that the court may on the application by a person aggrieved, order a trade mark to be removed from the register in respect of any of the goods or services in respect of which it is registered on the ground that up to one month before the date of the application a continuous period of not less than three years had elapsed during which the trade mark was a registered trade mark and during which there was no use in good faith of the trade mark in relation to those goods or services by the registered proprietor or registered user of the trade mark for the time being.

G [24] Section 46 of the Trade Marks Act 1976 is a specific provisions which set out one of the grounds of removal (vis - on the ground of non-use) which the person aggrieved may raise in order for the court to make an order that a trade mark be removed from the register.

H [25] The issue here is whether the 2nd respondent (the Register of Trade Marks, Malaysia) need to be cited as a party or as a respondent in this present application by the applicant.

I [26] The court is of the view that the 2nd respondent (the Registrar of Trade Marks, Malaysia) need not be cited as a party or respondent in the present application. There is no necessity for such a citation. Other than exercising his duties and obligations under the statutes, the 2nd respondent does not possess any interest in the outcome of the case.

[27] It is to be noted that under O. 87 r. 4 Rules of the High Court 1980 there is a requirement for all applications to the court under the Trade Marks Act 1976 to be served on the Registrar of Trade Marks. It does not require the registrar to be made a party. Also, under O. 87 r. 7 Rules of the High Court 1980 a defendant in an action for infringement may, in regard to any registered trade mark in issue, counterclaim for the rectification of the register and shall within the time limited for the delivery of the counterclaim serve the registrar with the same, and the registrar shall be entitled to take such part in the action as he may think fit without delivering a defence or other pleading. It is clear that under this rule the registrar is not required to deliver any pleading. This particular rule lends support to the view that there is no necessity on the part of the applicant to make the registrar a party to the suit and the registrar can be directed to appear in court as envisaged by s. 62 of the Trade Marks Act 1976 which states that in any legal proceedings in which the relief sought includes alteration or rectification of the register, the registrar shall have the right to appear and be heard, and shall appear if so directed by the court.

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[28] One should also take note of reg. 74 of the Trade Marks Regulations 1997 whereby it is required that every application to the court under the Act is to be served on the registrar. There will not be such a special requirement for such service if the registrar is to be named as a party to the action in order to be bound by any order of the court, because all parties to a suit will be served with the cause papers anyway. Also under reg. 75(1) of the Trade Marks Regulations 1997 an order made by the court in any case under the Act and an order of court directing the rectification or alteration of the register is to be served upon the Registrar of Trade Marks under Form TM28 accompanied by the prescribed fee.

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[29] Section 62(1) of the Trade Marks Act 1976 clearly states that in any legal proceedings, including application for rectification or alteration of the register, the registrar shall have the right to appear and be heard, and shall appear if so directed by the court. The registrar is supposed to be aware of such proceedings as reg. 74 of the Trade Marks Regulations 1997 states that a copy of every application to the court under the Act shall be filed at the office of the registrar by the applicant.

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[30] The applicant ought to have followed this provision strictly and not to make the Registrar of Trade Marks, a party to this action as this section allows the registrar to appear in court if the Registrar of Trade Marks wishes to do so in carrying out his statutory obligations and further that the Registrar of Trade Marks shall appear in court if

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- A the court so directs him do so. The appearance of the Registrar of Trade Marks in court regarding a particular case as such, is totally up to the Registrar of Trade Marks and/or the court and it is not up to the applicant to make the Registrar of Trade Marks a party to an action.
- B [31] Section 62(2) of the Act further states *inter alia* that unless otherwise directed by the court, the Registrar of Trade Marks, *in lieu* of appearing and being heard, may submit to the court a statement in writing signed by him and such statement shall be deemed to form part of the evidence in court. This additional provision further illustrates that the Registrar of Trade Marks merely appears in court to assist the court
- C whenever such assistance is required and this section obviously does not state that the Registrar of Trade Marks ought to be made a party to the action.
- D [32] If the assistance of the Registrar of Trade Marks is required at any stage of the court proceedings, a subpoena may be served on the Registrar of Trade Marks for purposes of assisting the court in explaining any matters relating to the trade mark in issue without the need to make the Registrar of Trade Marks a party to the action.
- E [33] If the application is made under s. 45 of the Trade Marks Act 1976, the position is clearer ie, that the Registrar of Trade Marks Malaysia need not be made a party or respondent in the proceeding before the court.
- F [34] Section 45(1) of the Trade Marks Act 1976 states as follows –
- (1) Subject to the provisions of this Act –
- G (a) the court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the register of any entry or by any entry made in the register without sufficient cause or by any entry wrongfully remaining in the register, or by any error or defect in any entry in the register, make such order for a making, expunging or varying such entry as it thinks fit;
- H (b) the court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the register;
- I (c) in case of fraud in the registration, assignment or transmission of a registered trade mark or it in his opinion it is in the public interest to do so, the registrar may himself apply to the court under this section;

(d) an order of the court rectifying the register shall direct that notice of the rectification be served on the registrar in the prescribed manner and the registrar shall upon receipt of the notice rectify the register accordingly.

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[35] Section 45(1)(a) of the Act clearly specifies that subject to the provisions of the Act, the court may on the application of any person aggrieved by any entry wrongfully remaining in the register, make such order for making, expunging or graying such entry as the court thinks fit. Section 45(1)(b) of the Act further stipulates that the court may in any proceeding under this section, decide any question that may be necessary or expedient to decide, in connection with the rectification of the Register.

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[36] The court wishes to highlight the clear wordings of s. 45(1)(d) of the Act which states that an order of the court rectifying the Register of Trade Marks shall direct that notice of the rectification be served on the Registrar of Trade Marks and the Registrar of Trade Marks shall upon receipt of the notice, rectify the Register of Trade Marks accordingly.

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[37] It is obvious from the provision of this s. 45(1)(d) of the Act, that if the court decides at the conclusion of the proceeding, to expunge any entry remaining wrongfully in the Register of Trade Marks, thus rectifying the Register of Trade Marks, then the order which acts as the notice of the rectification shall be served on the Registrar of Trade Marks for rectification purpose. The Registrar of Trade Marks shall, upon receipt of the notice, take such steps as are necessary to give effect to the order issued by the court as it is the Registrar of Trade Marks' statutory obligation to do so in accordance with the Act.

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Conclusion

[38] Based on the above considerations, the court rules that there is no necessity for the 2nd respondent (the Registrar of Trade Marks Malaysia) to be made a party or respondent in the present application by the applicant. There are sufficient statutory provisions in the Trade Marks Act 1976, its regulations as well as in the Rules of the High Court 1986 (as considered above), to ensure that any decision or order of the court in relation to the Register of Trade Marks, be complied with by the registrar accordingly, without having to be a party to the proceeding. On that understanding, the court is of the view that there is no reasonable cause of action against the 2nd respondent in the present case. The court is also of the view that the applicant's action

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A against the 2nd respondent is scandalous (being wholly unnecessary and irrelevant), frivolous or vexatious or that it amounts to an abuse of the process of the court. On that grounds, the court orders that the applicant's action against the 2nd respondent be struck out under O. 18 r. 19(1)(a), (b) and (d) of the RHC 1980 with costs.

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